



AGRI Italy Platform: Information note on COVID-19 measures and additional changes in transaction terms (the “Information Note”)

With reference to the Call for Expression of Interest of the Multi-Regional Guarantee Platform for Agriculture (the “AGRI Italy Platform”) launched on 24 January 2018 and closed on 31 January 2019 (the “Call”) and in accordance with the resolutions of the Investment Board of the AGRI Italy Platform dated 9 December 2020, the following information is brought to the attention of the existing financial intermediaries (i.e. financial intermediaries already operating under the AGRI Italy Platform)

- (i) In the context of the COVID-19 crisis, specific measures have been adopted with a view to mitigating the impact of the COVID-19 crisis on the Italian farmers and rural entrepreneurs with respect to stand-alone working capital.
- (ii) The amendments under point (i) shall be available for implementation by existing financial intermediaries (i.e. those already operating under the AGRI Italy Platform) in line with the Call, as amended by this Information Note, as set out below.
- (iii) The amendments foreseen in this Information Note shall become effective subject to successful signature by the EIF and the respective Financial Intermediary of an amendment and restatement agreement of the existing Operational Agreement.
- (iv) Capitalised terms used in this Information Note and not otherwise defined herein shall have the meaning assigned to them in the Call.

AGRI ITALY PLATFORM

Date: 9 December 2020

Information note to the Financial Intermediaries regarding the Call for Expression of Interest ("Call") to implement the AGRI Italy Platform, launched on 24 January 2018, closed on 31 January 2019.

Changes in transaction terms

In the context of the current COVID-19 crisis, Annex II set out in the original Call are now amended as set out below and a new Section D shall be added to Appendix I of Annex II.

	Initial text	Amended text
Section 3 – Miscellaneous		
Compliance with RDP	N/A	The Financial Intermediary shall comply with any relevant requirement under the RDPs (as these shall be amended to reflect that the support through the financial instrument managed by the EIF could cover Final Recipients for the emergency measure in the context of the COVID-19 outbreak). The Intermediary acknowledges and agrees that the RDPs may change and that it will be informed by the Guarantor when an updated RDP will be available. The Intermediary undertakes to comply and to request from the Final Recipients a representation that they will comply with any updated RDP.

APPENDIX I - ELIGIBILITY CRITERIA

	Initial text	Amended text
Section A - Rural Development Programme Criteria		
	Depending on this classification, only the Rural Development Programme Criteria in the relevant column in the table below need to be applied. All the other Eligibility Criteria set out in the following sections B and C below are applicable to all AGRI Transactions.	Depending on this classification, only the Rural Development Programme Criteria in the relevant column in the table below need to be applied. All the other Eligibility Criteria set out in the following sections B and C below are applicable to all AGRI Transactions and for the purpose of COVID-19 Final Recipient Transactions, the Eligibility Criteria set out in Section D below shall also apply.

<p>3. Eligible costs</p>	<p><u>4.1 “Support for investments in agricultural holdings”</u></p> <p>In the context of an Eligible Investment, the costs that can be supported with the Guarantee are those eligible under article 45 of the EAFRD Regulation 2013/1305/EC i.e.:</p> <ul style="list-style-type: none"> a) Purchase of new machinery, equipment; b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient; c) General costs linked to a supported investment (e.g. feasibility studies); d) Working capital ancillary to, and linked to the above investments, within the limits set out in EAFRD Regulation 2013/1305/EC (as amended and supplemented from time to time)*. <p>VAT costs related to the above eligible costs are also eligible.</p>	<p><u>4.1 “Support for investments in agricultural holdings”</u></p> <p>The costs that can be supported with the Guarantee are:</p> <p>(i) in the context of an Eligible Investment, the costs that can be supported are:</p> <ul style="list-style-type: none"> 1) Investments in tangible and intangible assets, such as: <ul style="list-style-type: none"> a) Purchase of new machinery, equipment; b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient; 2) General costs linked to a supported investment (e.g. feasibility studies); 3) Working capital linked to the above investments, within the limits set out in EAFRD Regulation; <p>and</p> <p>ii) COVID-19 Working Capital Loans.</p> <p>VAT costs related to the above eligible costs are also eligible.</p>
	<p><u>4.2 “Support for investments in processing/marketing and/or development of agricultural products”</u></p> <p>In the context of an Eligible Investment, the costs that can be supported with the Guarantee are those eligible under article 45 of the EAFRD Regulation 2013/1305/EC i.e.:</p> <ul style="list-style-type: none"> a) Purchase of new machinery, equipment; b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient c) General costs linked to a supported investment (e.g. feasibility studies) d) Eligibility of working capital ancillary to, and linked to the above investments within the limits set out in EAFRD Regulation 2013/1305/EC (as amended and supplemented from time to time)*. <p>VAT costs related to the above eligible costs are also eligible.</p>	<p><u>4.2 “Support for investments in processing/marketing and/or development of agricultural products”</u></p> <p>The costs that can be supported with the Guarantee are:</p> <p>(i) in the context of an Eligible Investment, the costs that can be supported are:</p> <ul style="list-style-type: none"> 1) any investment in tangible and intangible assets, such as: <ul style="list-style-type: none"> a) Purchase of new machinery, equipment; b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient 2) General costs linked to a supported investment (e.g. feasibility studies) and 3) working capital ancillary linked to the above investments within the limits set out in EAFRD Regulation (as amended and supplemented from time to time), <p>and</p> <p>(ii) COVID-19 Working Capital Loans.</p>

		VAT costs related to the above eligible costs are also eligible.
Section C - AGRI Transaction Eligibility Criteria		
15	<p>(a) Expenditure items financed by the AGRI Transaction may receive assistance from another ESI Funds or rural development programme or from another instrument supported by the budget of the EU, provided that:</p> <p>(i) such combination is in line with applicable EU state aid or aid intensity rules as set out in the relevant Rural Development Programme Criteria; and</p> <p>(ii) separate records are maintained for each source of assistance;</p> <p>(b) The AGRI Transaction shall not be used to pre-finance grants.</p>	<p>(a) Other than for the purposes of COVID-19 Final Recipient Transactions, expenditure items financed by the AGRI Transaction may receive assistance from another ESI Funds or rural development programme or from another instrument supported by the budget of the EU, provided that:</p> <p>(i) such combination is in line with applicable EU state aid or aid intensity rules as set out in the relevant Rural Development Programme Criteria; and</p> <p>(ii) separate records are maintained for each source of assistance;</p> <p>(b) The AGRI Transaction shall not be used to pre-finance grants.</p>

SECTION D – COVID-19 MEASURES

COVID-19 CONDITIONS	
COVID-19 Final Recipient	means, based on art. 37(4) of the CPR a Final Recipient which is an SME ¹ and has been impacted by the public health crisis due to the COVID-19 pandemic.
Assessment of status of the Final Recipient as a COVID-19 Final Recipient	Such status shall be established as at the signing date of the COVID-19 Final Recipient Transaction and shall be based on: <ul style="list-style-type: none"> (i) the Final Recipient being an SME; and (ii) a self-declaration stating that a reduction of the expected/incurred revenues of the Final Recipient for 2020 and, respectively, if such assessment is made in 2021, for 2020 and 2021 compared to 2019 has occurred.
COVID-19 Working Capital Loan	means a stand-alone working capital loan (i.e. not linked to an investment) provided that the maximum loan amount (or, respectively, the Credit Limit Amount in case of Revolving Final Recipient Transactions) shall not exceed EUR 200,000.
COVID-19 Eligibility Period	means the period during which COVID-19 Final Recipient Transactions are approved, entered into and disbursed, starting on [<i>the date of publication of this Information Note on EIF's website</i>] and ending on 30 June 2021.
COVID-19 Final Recipient Transaction	means an Eligible Final Recipient Transaction which complies with the COVID-19 Final Recipient Transaction Eligibility Criteria.
COVID-19 Final Recipient Transaction Eligibility Criteria	means, cumulatively, that the COVID-19 Final Recipient Transaction: <ul style="list-style-type: none"> (i) is entered into with a COVID-19 Final Recipient; (ii) is approved, entered into and disbursed during the COVID-19 Eligibility Period; (iii) shall have a disbursement period which shall not extend beyond the end of the COVID-19 Eligibility Period (iv) is in the form of a COVID-19 Working Capital Loan; (v) has been requested as support relating to the impact of the COVID-19 health-care crisis on the COVID-19 Final Recipient's business/activity; and (vi) covers expenditure items which shall not have received assistance from another instrument supported by the budget of the EU. <p>The COVID-19 Final Recipient Transaction Eligibility Criteria shall be complied with on a continuous basis.</p> <p>Each COVID-19 Final Recipient Transaction to be included in the Portfolio shall fall under one of the following Operations (and the relevant COVID-</p>

¹ For the avoidance of any doubt, the COVID-19 Final Recipient will need to comply with the applicable Final Recipient Eligibility Criteria.

19 Final Recipient shall comply with the relevant Final Recipients Eligibility Criteria corresponding to such Operation):

- (i) 4.1 “Support for investments in agricultural holdings”
- (ii) 4.2 “Support for investments in processing/marketing and/or development of agricultural products”.

For the purpose of the COVID-19 Final Recipient Transaction Eligibility Criterion (v) above, the Financial Intermediary shall make an evidenced assessment on the basis of available financial information to confirm that a reduction of the expected/incurred revenues of the Final Recipient for 2020 and, respectively, if such assessment is made in 2021, for 2020 and 2021, has taken place compared to 2019.

For the purpose of a COVID-19 Final Recipient Transaction, the Financial Intermediary shall not be required to (i) retain a business plan or equivalent documents or (ii) prove that the financing granted under the Final Recipient Transaction is used (including for the purpose of the costs and expenditures incurred) for its intended purpose.